FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

Electric Reconciliation Mechanism and
Inflation Adjustment Filing

D.T.E. 03-115

TESTIMONY AND SCHEDULES
OF
DOUGLAS J. DEBSKI

ON BEHALF OF
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

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I. INTRODUCTION

Q. Please state your name, your position, and business address.

A. My name is Douglas J. Debski. My business address is 6 Liberty Lane West, Hampton, New Hampshire, 03842-1720.

Q. By whom are you employed and what is your title and job responsibilities?

A. I am a Senior Regulatory Analyst II for Unitil Service Corp. ("USC"), a subsidiary of Unitil Corporation. USC provides centralized professional and administrative services to Unitil's subsidiaries, including Fitchburg Gas and Electric Light Company ("FG&E" or the "Company") and its New Hampshire utility affiliate Unitil Energy Systems, Inc. My responsibilities are primarily in the areas of rate regulation and rate design as well as load research.

Q. Please describe your educational background.

A. In 1987, I graduated *cum laude* from the University of New Hampshire with a Bachelor of Science Degree in Mathematics. Since my graduation and since joining USC in 1988, I have attended a number of courses to supplement my education. For example, I have taken courses pertaining to load research sample design and analysis, including "Sampling Methods and Statistical Analysis in Power Systems Load Research" by the Georgia Institute of Technology and "Advanced Sample Design and Analysis Techniques of Load Research" by the Association of Edison Illuminating Companies Load Research

Committee. I have also attended the New Mexico State University workshop entitled "The Basics of Rate Design in a Changing Electric Industry".

Q. Please describe your professional background.

A. Since joining USC in May 1988, I have prepared numerous regulatory filings, tariffs, price analysis and design, load research studies, and load forecasting for or on behalf of FG&E and its retail electric affiliate, Unitil Energy Systems, Inc. These projects, after review, have been filed at the Department of Telecommunications and Energy ("Department") and the New Hampshire Public Utilities Commission, as applicable.

Q. Have you previously testified before the Department or any other regulatory body?

A. Yes, I testified before the Department in FG&E's most recent annual reconciliation filing (D.T.E. 02-84) and have testified before the New Hampshire Public Utilities Commission.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to present and explain the proposed changes to FG&E's rates resulting from its annual Electric Reconciliation Mechanism and Inflation Adjustment Filing. In particular, my testimony will describe the rate design on individual rate components. In addition to the mechanics of the rate design, I will summarize the impacts of each individual rate component proposed for effect on January 1, 2004, and

provide a complete summary of all rates by class. I will support the revised rate schedules, provide bill impact calculations, calculate the annual inflation adjustment, and determine the proposed Standard Offer Service Fuel Adjustment ("SOSFA") for January 1, 2004.

Q. Are you sponsoring any schedules as part of your testimony?

A. Yes. I am sponsoring:

(1) a derivation of the SOSFA rate and demonstration of SOSFA costs and deferrals (Schedule DJD-1);

(2) a redline version of the proposed tariffs (Schedule DJD-2);

(3) a summary table of all the proposed rates (Schedule DJD-3);

(4) all rate design and pricing models (Schedule DJD-4);

(5) the derivation of the annual inflation factor (Schedule DJD-5); and,

(6) a comprehensive set of bill impacts demonstrating: 1) the 15 percent rate reduction for Standard Offer Customers versus inflation-adjusted August 1997 rates; and 2) the impact of the proposed rates over current rates for both Standard Offer Service and Default Service customers (Schedule DJD-6).

Q. Are your workpapers attached to your testimony?

A. Yes, my workpapers are incorporated into my schedules.

III. TRANSITION CHARGE ADJUSTMENT

Q. Was there an over- or an under-collection in the Transition Charge Account at year end 2003?

A. FG&E calculates that there will be an under-collection at year end 2003 that will be added to the 2004 Transition Charge Deferral Balance.

Q. Will the Transition Charge Deferral balance be eliminated by year-end 2004 if the Department accepts the rate proposed by FG&E?

A. No. Because St. 1997, ch. 164 ("the Electric Restructuring Act") requires that FG&E maintain a price cap, FG&E cannot increase its rates in order to eliminate either the Transition Charge Deferral in its entirety or the deferral from 2003. However, FG&E believes that rate principles historically followed by the Department, most notably the avoidance of rate shock to consumers, would also militate against raising FG&E's rates with the goal to eliminate FG&E's Transition Charge Deferral in a single year. Accordingly, FG&E will continue to reduce the amounts in the Transition Charge Deferral to the maximum extent possible in light of the "headroom" permitted by the Electric Restructuring Act.

Q. Is FG&E ensuring that it is minimizing the Transition Charge Deferrals?

A. While FG&E is constrained in its ability to design rates, it is following the guidelines set by the Department in a December 17, 1999 letter to its jurisdictional distribution

companies. In that letter, the Department required the companies to adhere to Uniform Transition Charges, or UTC for short.

Q. Does a UTC differ from the weighted average Transition Charge?

A. Yes. The rate design process is unusual because FG&E must combine the following mandates: a UTC, a 15 percent rate reduction for all customer classes and the base rates implemented on December 2, 2002 as a result of FG&E's electric division rate request in D.T.E. 02-24/25.

Q. Is there a gap between the UTC and a weighted average Transition Charge calculation?

A. Yes, there is. The gap between the UTC and the weighted average Transition Charge has increased from $0.00032 for 2003 to $0.00066 for 2004. The weighted average transition charge is the sum of the class calculated Transition Charge revenues divided by total kWh sales. The increase is due to the impact of the same percentage inflation rate applied to differing class rate levels. FG&E expects this gap will add approximately $353,955 in additional deferrals to FG&E's Transition Charge Deferral balance in 2004.

Q. What is the carrying charge borne by future customers for these deferrals?

A. The additional deferrals will accrue interest in 2004 at the carrying charge permitted on the Transition Charge Account balance in D.T.E. 01-103, or 9.05 percent. Future customers will be responsible for these balances, including interest.

IV. STANDARD OFFER SERVICE FUEL ADJUSTMENT

Q. Is FG&E proposing to revise its Standard Offer Service Fuel Adjustment ("SOSFA") in this filing?

A. Yes. FG&E proposes a SOSFA of $0.01185 per kWh to be effective January 1, 2004. When combined with the base Standard Offer rate of $0.05100 per kWh, the total rate to be billed for Standard Offer Service is $0.06285 per kWh.

Q. What is the difference between the proposed SOSFA and the current SOSFA?

A. The proposed SOSFA is a decrease of $0.00239 per kWh versus the current rate of $0.01424 per kWh. This represents a decrease of $1.20, or 1.74 percent on a 500 kWh typical residential bill, as shown in the summary table of proposed rates included with the cover letter.

Q. How is the proposed SOSFA for January 1, 2004 determined?

A. FG&E has utilized actual fuel index data through October 2003 for fuel oil and natural gas market prices to calculate the fuel adjustment. It has applied this fuel index data to the 2004 Standard Offer fuel trigger and price and determined a rate of $0.01185 per kWh.

Q. Have you prepared a schedule demonstrating these calculations?

A. Yes. Schedule DJD-1, page 1 demonstrates the calculation of the SOSFA using the detailed fuel index data shown on Schedule DJD-1 pages 2 and 3.

Q. What are the prices used to determine the 12-month averages of fuel index data?

A. The 12 month average market gas price is $5.368/MMBtu and the 12 month average market oil price is $4.320/MMBtu.

Q. What is the Fuel Adjustment factor calculated to be?

A. The Fuel Adjustment factor is calculated to be 1.23243. When applied to the base Standard Offer Service rate of $0.05100 per kWh it yields the proposed rate of $0.05100 per kWh and an SOSFA of $0.01185.

Q. Is this calculation consistent with the Department precedent?

A. Yes. On December 4, 2000, the Department approved a uniform SOSFA mechanism in dockets D.T.E. 00-66, 00-67, and 00-70. The calculation presented in this filing is consistent with Department precedent in that proceeding. It is also consistent with the methodology approved in FG&E's recent reconciliation filings as well as its April and August 2003 SOSFA filings.

Q. What is the current level of deferrals under the SOSFA?

A. The current and forecasted level of deferrals and monthly SOSFA costs are set forth on Schedule DJD-1, pages 5 and 6. This schedule includes FG&E's year end 2000 SOSFA balance of $2,622,479, accumulated between April and December 2000, which was transferred to its SOS balance in November, 2002. The SOSFA has a current deferral balance of $1.2 million as of October 31, 2003. Schedule DJD-1, page 5, line 16.

Q. What level of deferrals does FG&E calculate to exist by year end 2003?

A. The SOSFA deferrals are expected to increase to $1.3 million by year end 2003. See Schedule DJD-1, page 5, line 16. Further, FG&E expects that, if the Department allows the proposed SOSFA of $0.01185 per kWh to take effect on January 1, 2004 and remain in effect, the current level of deferrals is forecasted to be $447,288 at year end 2004 and $221,333 at the end of the Standard Offer period on February 28, 2005. See Schedule DJD-1, page 6, line 16.

Q. How is the SOSFA cost per kWh forecasted?

A. The SOSFA cost per kWh through February 2005 is forecasted assuming the market price of oil remains constant over the forecast period at its most recent October 2003 price level. Schedule DJD-1, page 4. The market price of gas is forecasted based on the NYMEX futures contract settlement price for November 14, 2003 as shown in the November 17, 2003 Wall Street Journal (reported online at http://online.wsj.com). Pursuant to FG&E's current tariff M.D.T.E. No. 99, the fuel trigger point and SOS price of $7.01/MMBtu and $0.04700/kWh is used for November through December 2003 and $7.74/MMBtu and $0.05100 per kWh is used for January 2004 through February 2005. The SOSFA cost per kWh is forecasted to level off about mid-year 2004 under these assumptions.

Q. What is FG&E's proposal for the SOSFA going forward?

A. FG&E proposes that it continue the SOSFA at the proposed level until a new SOSFA is approved. FG&E will monitor its SOSFA deferrals during 2004 and any adjustments to the SOSFA rate may be proposed if deemed to be necessary. FG&E would prefer to eliminate as much of the SOSFA deferrals as possible prior to the expiration of the SOS period on March 1, 2005. As indicated above, under current projections, only a small deferral would exist at the end of the SOS period assuming FG&E's proposed SOSFA is approved.

V. PROPOSED REDLINE TARIFFS

Q. When does FG&E propose that the tariff changes presented in this filing take effect?

A. The new rates and tariffs are proposed to become effective for usage consumed on and after January 1, 2004.

Q. Can you briefly describe the changes in these tariffs.

A. The changes in the tariffs, fully reflected in a redlined version attached as Schedule DJD-2, reflect the change in the UTC from $0.01187 per kWh to $0.00982 per kWh.

Q. Have you provided a calculation of the UTC?

A. Yes, I have. The UTC is as described below in Section VII, Rate Design and Schedule DJD-4.

Q. Have you changed the Farm Credit provision in the Tariff?

A. Yes. During 2003, FG&E researched the 10 percent Farm Credit and how utilities in Massachusetts are applying it, specifically with regards to generation service. FG&E currently calculates the electric farm credit as if the customer receives Standard Offer Service, even if the customer receives Default Service or Competitive Supply. The changes proposed here will allow FG&E to calculate the 10 percent Farm Credit based on the generation service which is actually provided, either Standard Offer Service or Default Service. FG&E will provide a discount only on those services which it provides to customers, therefore excluding Competitive Supply. This proposed change will align FG&E's electric division with the way other electric and gas utilities (including FG&E's gas division) currently calculate the 10 percent Farm Credit.

Q. Are there any other changes to the tariffs at this time?

A. There are no other substantive changes at this time. Of course, minor changes, such as tariff sheet numbering and new issue and effective dates have been made. The redlined version makes all changes quite evident.

VI. RATE SUMMARY

Q. Does FG&E's filing contain a Rate Summary?

A. Yes, it does. Schedule DJD-3, pages 1 through 2, summarizes the rates for all of FG&E's rate classes using Standard Offer Service as the generation service.

Q. Please explain Schedule DJD-3.

A. The shaded areas in Schedule DJD-3 are the charges that are displayed on customers' bills. The non-shaded areas on Schedule DJD-3 are summed to equal one of the appropriate shaded areas.

Q. Will you provide examples?

A. Yes. For example, the transmission charge (which is displayed in sum on each customer's bill) includes the internal transmission charge, the internal transmission service cost adjustment and the external transmission service charge. The total distribution charge (which is displayed in sum on each customer's bill) includes both the distribution charge and the Seabrook amortization surcharge. The total transition charge (which is displayed in sum on each customer's bill) includes the transition charge, the transition cost adjustment, and the default service adjustment.

Q. Has the Department approved this methodology?

A. Yes. This methodology was provided in the Company's rate schedules which were approved in FG&E's Restructuring Plan and later modified and approved in Fitchburg's annual reconciliation filings.

VII. RATE DESIGN

Q. Has FG&E completed a complete redesign of its retail rates?

A. Yes.

Q. Why did FG&E redesign its rates?

A. FG&E had to redesign the rates to include the reconciliations for the Standard Offer Service Charge, the External Transmission Charge, the Internal Transmission Service Cost Adjustment, the Transition Charge, and the Default Service Adjustment in accordance with FG&E's Tariff. Lastly, the rates had to be redesigned to reflect that the inflation-adjusted benchmark rates were reduced by the mandatory 15 percent rate reduction for each class as required by The Electric Restructuring Act.

Q. Are there other reasons FG&E had to redesign the rates?

A. Yes. The Electric Restructuring Act imposed certain additional requirements on restructuring electric and distribution companies. One such requirement permitted each of the companies to seek increases in rates relative to the rate cap to reflect inflationary trends impacting the companies. The other required the companies to collect and remit funds relative to the promotion and sustainment of energy efficiency practices and renewable resources.

Q. How did FG&E redesign its rates to reflect these requirements?

A. FG&E calculated an adjustment to rates to account for inflation. See Section VI below and Schedule DJD-5.

Q. How does the rate design process account for the Standard Offer Service Fuel Adjustment?

A. Actually, it doesn't. It was determined in D.T.E. 00-66 that the Standard Offer Service Fuel Adjustment is a cost recovery mechanism that is added as a surcharge outside of the inflation adjustment. Therefore, the rate design process here is done independently of the SOSFA.

Q. Please describe the complete rate redesign process, taken step-by-step.

A. The rate design process was accomplished in the following manner.

First, the August 1997 charges and total revenues are increased by the 16.8 percent inflation adjustment on each component: customer, demand, and on- and off-peak energy. This increased level is used as the basis for determining new charges and calculating rate cap percent reductions, as shown in the last column of Schedule DJD-4, pages 1 through 9 (in the upper section under "Inflation Adjusted Total").

Second, the proposed External Transmission Charge is set at $0.00308 per kWh as determined in the External Transmission Charge reconciliation model (Schedule KMA-4) and the Internal Transmission Service Cost Adjustment is set at $0.00044 per kWh as determined in the Internal Transmission Service Cost Adjustment reconciliation model (Schedule KMA-5). The Default Service Adjustment continues at $0.00000 per kWh as discussed in Ms. Asbury's testimony.

Third, the Energy Efficiency Charge remains unchanged at $0.00250 per kWh in accordance with the Company's tariff M.D.T.E. No. 96 and the Renewable Resources

Charge remains unchanged at $0.00050 per kWh in accordance with the Electric Restructuring Act and tariff M.D.T.E. No. 37.

Fourth, the Standard Offer Service Generation Charge increases from $0.04700 per kWh to $0.05100 per kWh in accordance with FG&E's tariff page, M.D.T.E. No. 99. The total rates including the SOSFA of $0.01185 per kWh are shown for reference to the right in Schedule DJD-4, pages 1 through 9, after the rate cap calculations are complete.

Q. Has FG&E altered the Seabrook Amortization Surcharge ("SAS")?

A. No. The SAS remains unchanged for each rate class.

Q. Are there other changes to the rate redesign?

A. Yes. The Transition Charge and the Default Service Adjustment are initially set to zero for the purposes of rate design. The distribution and customer charges remain at their current levels effective December 2, 2002 as approved in D.T.E. 02-24/25.

Q. Why is the Transition Charge initially set at zero?

A. The Transition Charge is initially set to zero for simplicity in order to determine the level of revenues produced by the other rate components. It is quickly substituted with a formulaic derivation of the class Transition Charge based on the other rate components.

Q. Has the methodology you employed been reviewed by the Department and approved for use in FG&E's rate design?

A. Yes.

Q. How do determine the Transition Charge levels in order to comply with the Department's directive that such charges be uniform?

A. The Transition Charge levels are determined for each class on a cents per kWh basis by multiplying the total inflation-adjusted August 1997 revenue by 85 percent, subtracting the revenue achieved by all of the other individual rate components exclusive of the Transition Charge, and dividing by the total 2001 test-year kWh sales. This was done for each class as a first step in developing the transition charges. A different amount is computed for each class. The lowest major rate class' transition charge is chosen as the UTC. The class figures are further adjusted as discussed below to comply with the UTC requirement.

The proposed total Company UTC was determined to be $0.00982 per kWh. This is the highest transition charge possible to achieve the minimum fifteen percent rate reduction for all major rate classes.[1]

Q. Once the total Company UTC is determined, how is it applied to all customer classes?

[1] The UTC was based on the GD-3 class calculated transition charge. The resulting rate reduction for the GD-4 class is just under 15 percent at 14.9 percent. Since this class is a subclass of the GD-2 class and contains only two customers, the GD-4 calculated transition charge was not used as the UTC.

A. Each class was revisited to establish the charges for the proposed UTC, by rate component. Each of the transition charge rate components is determined by applying the difference between the total inflation-adjusted August 1997 rate components, decreased by the appropriate percent decrease determined exclusive of the change in customer charges, and by subtracting each of the other proposed rate components. This design ensures that each component receives as close to the 15 percent decrease as possible using a UTC.

Q. Have you supplied worksheets that prove the decrease that will impact each class of FG&E customers?

A. Yes, I have. The detailed rate design worksheets and proof of the 15 percent decrease for each major rate class are shown on Schedule DJD-4, pages 1 through 9. This is a demonstration for the class as a whole. Schedule DJD-6 demonstrates the rate reduction for individual customers based on assumed usage levels. In pages 1-18, the calculated August 1997 revenue is adjusted upwards by the 16.8 percent inflation adjustment for comparison purposes.

Q. What is the impact on distribution revenue as a result of implementation of the proposed rate design?

A. The proposed rate design is distribution revenue-neutral. No changes were made to distribution rates.

Q. Was there any need for adjustments to the transition charge for any class as a result of applying the uniform transition charge formula, as has been done in the past?

A. Yes, there were three classes for which an additional adjustment was necessary in this year's filing. For the regular general service GD-2 class, the initial application of the UTC to each rate component resulted in a negative transition charge for the kWh component of the rate. FG&E shifted $194,552 from the demand kW component to the energy kWh component to eliminate the negative transition charge. This resulted in the demand kW charge decreasing from $3.05/kW to $2.57/kW and the energy kWh component increasing from ($0.00186)/kWh[2] to $0.00000/kWh.

For the large general service GD-3 class, the initial application of the UTC to each rate component resulted in a negative transition charge for the off-peak kWh component of the rate. FG&E shifted $666,862 from the on-peak kWh component to the off-peak kWh component to eliminate the negative transition charge. This resulted in the on-peak kWh charge decreasing from $0.00632/kWh to $0.00053/kWh and the off-peak kWh component increasing from ($0.00599)/kWh to $0.00000/kWh.

For the optional time of use general service GD-4 class, the initial application of the UTC to each rate component resulted in a negative transition charge for the off-peak kWh component of the rate. FG&E shifted $815 from the on-peak kWh component to the off-peak kWh component to eliminate the negative transition charge. This resulted in the on-

[2] Please note that negative numbers are designated and enclosed by parentheses.

peak kWh charge decreasing from $0.01785/kWh to $0.00917/kWh and the off-peak kWh component increasing from ($0.00234)/kWh to $0.00000/kWh.

Q. Were there any other adjustments to transition charge class rate components?

A. No.

Q. Has the Company reviewed its transition charge revenues collected from customers in 2003 and compared them versus the uniform transition rate?

A. Yes. In D.T.E. 02-84, the Attorney General argued that the Company was not collecting the proper amount of transition charge revenues, specifically from it GD-3 customers, and that a class reconciliation adjustment may be necessary. The Attorney General cited a figure of $450,000 for the GD-3 class undercollection. The Attorney General urged the Department to require FG&E to monitor the discrepancy and implement a class specific transition charge adjustment in the 2003 reconciliation if the figures for 2003 confirm the projected shortfall. Schedule DJD-4, page 11 demonstrates a comparison of computed transition revenue versus collected transition charge revenue.

In its reply brief in D.T.E. 02-84, FG&E stated that the discrepancy between the forecasted revenue and the uniform transition charge revenue was actually only $67,000, not $450,000. FG&E stated that the forecasted load factor attributed to the GD-3 class was erroneous because the forecasted demand loads for the GD-3 class did not reflect the entire class. To ensure that the Department would make its determination based on a

complete and accurate record, FG&E filed revised schedules with its Motion to Admit Post Hearing Evidence to introduce the correct forecasted discrepancy of $67,000.

In Schedule DJD-4, page 11, the Company demonstrates that from February through September 2003, a comparison of the billed transition revenue versus the calculated uniform transition charge revenue shows a difference of only ($46,012), or (1.18) percent. January is not included in this worksheet for simplification since it is a month in which the transition charge is prorated between the December and January sales and demands. FG&E asserts that this is a reasonable variance due to variations in customer load factor from month to month and year to year, and that no class reconciliation of transition charge revenues is necessary at this time.

Q. The Electric Restructuring Act requires a Farm Credit be implemented for those customers that qualify. Have you ensured provision for the Farm Credit?

A. Yes. Schedule DJD-4, page 10, details the Farm Credits for those Standard Offer Service customers who qualify as persons or corporations engaged in the business of agriculture or farming, as defined pursuant to section 1A of Chapter 128 of the General Laws. The Farm Credit would be similarly calculated for customers receiving Default Service. Farms with a Competitive Supply will receive a 10 percent discount from FG&E's delivery service rates only.

VIII. INFLATION ADJUSTMENT

Q. Why is FG&E proposing an inflation adjustment?

A. FG&E adjusts its retail delivery service rates each year by an inflation index in accordance with the Electric Restructuring Act and per Department Order in D.T.E. 97-115/98-120.

Q. How is the inflation adjustment determined?

A. FG&E uses the United States Consumer Price Index ("US-CPI"), for all urban consumers, series id CUUR0000SA0, as the appropriate price index to measure inflation. This index is published by the U.S. Department of Labor, Bureau of Labor Statistics.

Q. Has this method been approved by the Department?

A. Yes, it has.

Q. Please explain.

A. Yes. Schedule DJD-5, Page 1 of 1, shows the history of the US-CPI from July 1997 through October 2003 and projected data through June 2004. The projected data were calculated pursuant to the Department's guidelines in its December 17, 1999 letter to the electric distribution companies regarding the 1999 Transition Charge Reconciliation Filings ("Letter Order"). Also in accordance with the Letter Order, FG&E has computed the inflation adjustment using the mid-point of 2004, as the rates will be effective for the entire year 2004.

Q. What is the calculated inflation adjustment for 2004 and how is it determined?

A. FG&E proposes that a 16.8 percent inflation adjustment to be applied to its rates in effect during August 1997 for all customer classes. As shown in Schedule DJD-5, FG&E calculated the annual inflation between October 2002 and October 2003 to be 2.04 percent, or about 0.17 percent on a monthly basis. This historic inflation level was used to forecast inflation through June, 2004. The CPI is forecast to have risen by 16.8 percent (as of June 2004) when compared to the inflation levels at the benchmark distribution rate August 1997.

Q. Please compare this rate in relation to the inflation index used in the last year.

A. The inflation adder has increased from 14.5 percent to 16.8 percent. The increase in the inflation adder has the effect of increasing overall rates (excluding the SOSFA) by 2.0 percent (1.168 divided by 1.145). This amount is mitigated slightly for most classes due to the UTC gap discussed above.

Q. How are retail rates adjusted using this inflation amount?

A. FG&E proposes to increase its total retail rate class revenues by the amount of the inflation increase. See, Schedule DJD-4. From these inflation-adjusted rates, FG&E will maintain the required 15 percent rate reduction, exclusive of the Standard Offer Service Fuel Adjustment.

Q. Is the inflation increase reflected anywhere else in this filing?

A. The inflation adjustment of 16.8 percent versus August 1997 rates is incorporated in the rate and tariff changes presented throughout my testimony.

IX. BILL IMPACTS

Q. Have you provided the bill impacts for the proposed rates?

A. Yes. Schedule DJD-6 demonstrates the bill impacts of the proposed rates for all customer classes. Schedule DJD-6, pages 1-18, demonstrate the impact of the proposed rates (not including the SOSFA) versus the inflation-adjusted August 1997 rates as discussed above in Rate Design.

The proposed bill impacts are presented for customers receiving Standard Offer Service, including the SOSFA at Schedule DJD-6, pages 19-36. The impacts are in the range of (0.1) percent to (1.1) percent for the majority of customers. The proposed bill impacts are presented for customers receiving Default Service at Schedule DJD-6, pages 37-54. Impacts for the majority of these customers are in the range of (0.8) percent to (2.7) percent. This schedule shows the fixed default service rates effective on December 1, 2003, as approved by the Department on October 30, 2003.

X. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does.